

SECRETARY OF THE STATE CONNECTICUT

Judiciary Committee Public Hearing Testimony March 7, 2012

Good morning Chairman Coleman, Chairman Fox and members of the Judiciary Committee. For the record my name is Denise Merrill, and I am Secretary of the State of Connecticut. I am here to testify on two bills that impact my office, and I will be brief.

• I first want to address HB 5364: "AN ACT CONCERNING THE DEFINITION OF A NOTARIAL ACT"

This bill adds certifying or attesting a copy of a document to the official duties and authorities granted to Notary publics under Connecticut state law. The other authorities already granted to notaries include: taking an acknowledgment, administering an oath or affirmation, witnessing or attesting a signature. I support this bill because it will improve the ability of Connecticut residents to get certified copies of documents they have on hand such as university transcripts for foreign students and copies of I-9 immigration right to work forms that must be sent back to country of origin for foreign-born residents with work visas.

This is an issue because we often find that an issuing authority (a university or corporation here in the US) for these documents will provide a copy of documents but does not certify these copies in a way that is acceptable to the recipients of these documents – those who receive these documents are in many cases filing authorities in other countries. This bill will also allow corporations to receive certified copies of minutes of corporate meetings.

There has been some concern expressed on the part of some notaries that this new definition would open notaries up to more liability. I want to allay those concerns by reminding you on the Judiciary committee that the Secretary of the State's office has always held that it is reasonable to deny notarial services in the event that the notary feels uncomfortable executing the document. We stand by that policy, so this expanded definition in no way places notaries in any greater legal liability. Therefore I urge passage of this bill.

 I now want to turn my attention to Raised Bill No. 308, "AN ACT CONCERNING THE ESTABLISHMENT OF A BUSINESS DATA COLLECTION CENTER." This bill would make the Secretary of the State's office the central repository for economic and business data in Connecticut. The idea is to make all of this economic information accessible to the public, entrepreneurs and policy makers and put it in one place. There are a number of states that do this, such as Oregon. That state has a business information center in partnership with many state agencies that deal with economic and licensing data. Why house this information hub at the Secretary of the State's office? Because everyone who registers a company in the state of Connecticut does it through our office, and we are the keeper of records for the state of Connecticut.

We get over one million hits every month on our website, just on the CONCORD business registry site alone. In fact, despite our involvement in elections, the majority of the staff in our office actually work in the commercial recording division processing business registrations and other transactions from more than 300,000 businesses registered with our office. Rather than just being known as the business registry in Connecticut – or as some would say the state's file cabinet – I actually think there are ways the Secretary of the State's office can be a real asset for businesses and entrepreneurs. There is so much we can do to facilitate the transmission of data and information so entrepreneurs can have the tools they need to succeed, grow their business, and create jobs.

This would also streamline the state's economic data in a more useable format – such as creating lists of businesses in certain categories, for example. Raised Bill 308 would go a long way towards accomplishing that goal by creating a single place where new businesses that register with the state can go online and find information. This will link existing data to state agencies and programs, such as Smart Start/CT-CLIC, CERC, DRS, DOL, DCP, DEP, DAS, SBA, SBDC, etc. Raised Bill 308 envisions the Office of the Secretary of the State collecting new, robust data on business entities, and sharing that data with the state's economic development engines.

Under the proposal, the Commercial Recording Division will host a Business Data Collection Center in partnership with the UCONN School of Business, the Department of Economic and Community Development, and the CERC CT Data Access Partnership, and other partners to collect information that is lacking at present. The dean of the UCONN school of Business has already pledged to support this project and supply our office with MBA graduate students to help with the new data collection – for free! The Commercial Recording Division would compile the data and make it available to all state agencies, quasi-agencies and nonprofit organizations whose missions are to study, attract and nurture enterprise and industry within the state.

Under this bill, my office would decide what new information we would collect from businesses registering with the state – on a voluntary basis. It could include data such as what type of business are you – retail, manufacturing, service? Other information could include how many employees do you have, or demographic data about the ownership or workforce of the company, etc. The information would be collected on a voluntary basis and be disaggregated from the filing party to protect proprietary information.

We would also be allowed to strike agreements with other state agencies or quasi-public agencies that handle economic data so we could make data on economic trends available to other businesses, academic institutions, and the general public. There is a wealth of economic and business data housed in different places scattered within state government, and my goal is to make it publicly available in one centralized location that is clear and easy to navigate. Think about how much of a benefit this would be for economic development for everyone from the

person with that business idea to policy makers to even a foreign corporation looking to potentially relocate to Connecticut.

We propose that data collected through this initiative not only be collected upon formation or registration, but also at yearly intervals in conjunction with the continuing Annual Report filing requirement. In terms of logistics, we would propose that the Commercial Recording Division manage this operation separate from the public registry, so that company formation and filing processes are not impeded and the pace of commerce will not be hampered. Yet, the database would draw from our proprietary CONCORD database by direct link and be constantly refreshed. In sum, I think this proposal would go a long way towards helping different segments of our economy connect with each other to get the resources they need to succeed.

I thank you for your time in considering this legislation and I urge passage. I am happy to answer any questions you have.